

# Annual Statement Template Guide

Updated July 2024

## Introduction

Practices have been able to use the Annual Statement of GP reasonable fee increases since it was first released in 2006. The annual statement for each year covers the period 1 July to 30 June. A copy of the latest annual statement report can be accessed on the Pinnacle website.

The annual statement applies only to the fees set by interim and low-cost access practices. Very low-cost access funded (VLCA) practices receive extra funding for their enrolled patient base and in return must set their fees below or at a threshold set by Te Whatu Ora - Health New Zealand.

To ensure the application of the annual statement reflects an individual practice's situation it is calculated on the split between government subsidy income (capitation) and patient income (fee/co-payment) for that practice.

Your practice does not have to use all or any of the annual statement in the period 1 July to 30 June. Any unused annual statement will be carried over to the following year. The unused amount from previous years has been added to the co-payment templates (as explained in the 'how to' guide below). Fees may be increased more than once over the twelve-month period and a full fees review will not be necessary if they remain within the annual statement available for that year.

## Purpose

The purpose of this guide is to provide a step-by-step process enabling you to use the co-payment adjustment template to compare different fee alternatives for your practice.

## Background

There are two formats available to calculate your annual statement.

- **Option A** - provides an approximation of allowable fee increases using national average co-pay consult utilisation rates
- **Option B** - provides a definitive answer of allowable fee increases using your actual co-pay consult utilisation rates for each age category

Using either option is acceptable when increasing fees. Our recommendation is to use option B with your consult data and actual utilisation rates rather than national averages. It does disclose your ESUs and consultation rates, which have been pre-populated in the co-payment adjustment template Option B.

There is no obligation for your practice to remain below the annual statement. However, if your fee change is greater than your annual statement it may be necessary for you to undergo a fee review with an independent committee. In preparing your business case for the fee review committee you could have to disclose more financial information than you may feel comfortable with. This is not to discourage you from this process, we understand the cost pressures for general practice.

## Non-CSC fee change

The Co-payment Adjustment Templates Option A & Option B (Excel format) will be sent to you. Using enrolment data and CPI extracts, Pinnacle has populated both templates with the number of enrolled patients for each age group **who do NOT have a CSC card**.

1. **Open either of the co-payment adjustment templates, the two formats available:**
  - **Option A** uses national average co-pay consult utilisation data.
  - **Option B** uses actual co-pay consult utilisation rates for each age category
2. **Go to the first tab in the spreadsheet named 'revenue split':**  
 The information on this tab displays the collected data that Pinnacle have pre-populated using enrolment data and CPI extracts and current advertised fees.

Check that the practice name at the top of the spreadsheet is correct.

<b>Co-payment adjustment template - Option A</b>	
Practice name	
<b>Co-payment/capitation revenue split calculation</b>	
<b>Red values shown in red only:</b>	Practice name
Option A is used to approximate co-payment capitation revenue.	Current fee
Indicated that the <b>Option B template is used</b>	Current fee

### Check the current fees:

Ensure that the current fees data is correct in the '30<sup>th</sup> June 2024 fee'. This column looks the same in both formats (option A and option B).

30th June 2024 fee (co-payment) (incl GST @ 15.0%)
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00

**3. Go to the third tab in the spreadsheet named 'Co-payment Template'**

This sheet is where you input your fee increase data. The details at the bottom right of the spreadsheet will indicate 'Co-payment annual statement 2024/25' and the % available figure in red. (Note: this figure may differ from the average allowable percentage e.g. 7.76% due to the capitation ratio for your practice plus any historic unused carry-over % being added to your total available.)

	Current	Proposed
Total co-payment revenue (excluding GST)	\$0.00	\$0.00
% change in annual co-payment revenue	n/a	
Co-payment annual statement 2024/25	7.76%	

In the 'Co-payment change (\$)' (incl. GST)' column, use the arrow buttons to 'toggle' the changes

Make sure to use the first column (\$). The second column (%) will not give you a round number.

Co-payment change (\$)' (incl GST)	Co-payment change (%) (incl GST)	Proposed co-payment fee (incl GST @ 15.0%)	Proposed co-payment fee (excl GST)	Age group co-payment change (excl GST)
\$0.00	0.00%	\$0.00	\$0.00	n/a
\$0.00	0.00%	\$0.00	\$0.00	n/a
\$0.00	0.00%	\$0.00	\$0.00	n/a
\$0.00	0.00%	\$0.00	\$0.00	n/a
\$0.00	0.00%	\$0.00	\$0.00	n/a
\$0.00	0.00%	\$0.00	\$0.00	n/a
\$0.00	0.00%	\$0.00	\$0.00	n/a

*Under 6 age group won't count towards total co-payment*

*Under 13 age group won't count towards total co-payment*

As you change the (\$)' column, the new fees will display in the 'Proposed co-payment fee' column.

The '% change in the annual co-payment revenue' will also update as the fees are changed. Ensure this % shown in black is lower or matches the % available in red.

(Note: If you request more than your allowable annual statement increase, you may be referred to Fees Review.

**4. Once you have decided on your fee changes, please complete the "Interim or Access Practice Fee Change Notification Form 2024-25" and send to - [practice.support@pinnacle.health.nz](mailto:practice.support@pinnacle.health.nz)**

The changes will then be submitted to Te Whatu Ora for confirmation.